CONCORDIA UNIVERSITY

Comments by
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on the
Avis of the Conseil des universités
Concerning Orientations in University Financing

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Concordia University welcomes the avis submitted by the Conseil des universités to the Minister of Higher Education and Science on orientations in university financing.

My comments will address four aspects of this avis which are of vital importance to Concordia University, both in terms of our particular situation and of our role as an active participant in the current debate on the future of our universities.

My first remark deals with the fact that the Conseil, once again, confirms the urgency of dealing with the scarcity of resources affecting certain universities in Québec more specifically and more dramatically than others. Although this situation has been repeatedly demonstrated, the avis highlights the fact that such scarcity exists, regardless of the method of analysis one chooses to adopt, whether one compares Québec universities amongst themselves or with other Canadian universities, notably in Ontario.

It is therefore imperative that this state of chronic underfunding be corrected immediately. If not, the oft-mentioned crisis will soon reach a point of no return.

-- We support the Conseil's recommendation which calls for immediate attention to the financial situation of those universities most neglected in terms of the current funding

rules, without awaiting long-term and overdue changes to the funding formula. Such a review, as important and necessary as it is, should not delay the application of corrective measures in the case of institutions, such as ours, which are experiencing severe constraints. Concordia has already suffered irreparable damage due to the fact that two proposals calling for improvements to our financial base have already been rejected.

We share the Conseil's fear that accumulated deficits hold serious implications for those universities concerned. We cannot accept, however, that our specific situation is reflected in those comments in the avis which seem to attribute such deficits to poor management, lack of productivity or duplication of academic programmes. In fact, we are convinced that Concordia would have balanced its budget had it not been for our state of chronic under-funding, while having to deal with the same academic and managerial constraints that had to be borne by other Québec universities. As for productivity, all indicators confirm that Concordia is among the most dynamic and productive universities in the réseau.

-- We believe, therefore, that a case-by-case review of the financial situation of those institutions concerned would reveal the true nature of the deficits incurred. We favour such an approach before making a gratuitous claim, as does the Conseil, that direct government intervention in reducing these deficits

would be "unjust". In our view, the real injustice would be to neglect the specific components of individual financial plights.

-- The comparison made in the avis between the situation of Québec universities and that of other Canadian universities leads us to support the following recommendation made by the Conseil: "...de reconnaître la nécessité que les ressources des universités québécoises soient hausées au niveau moyen des autres universités canadiennes...". Such an increase is essential if we wish to maintain our competitive capacity in attracting the best professors, researchers and students.

-- Finally, we endorse the Conseil's willingness to review alternate means of funding available to universities. We invite the government to cooperate with the Conférence des recteurs et des principaux des universités du Québec (CREPUQ) in studying the various proposals put forward by the Conseil. We must insist, however, that these proposals be studied with the greatest of care so as to not endanger our already fragile financial base.

Let us now review more closely the financial situation of Concordia University in an historical perspective.

Let us first recall that the University was created in 1974, at the end of a period of relative abundance in which we did not share, and at the beginning of a period of austerity to which, on

the other hand, we were fully subjected. Although, at the time, the government had assured us that we would receive a level of funding comparable to that of other universities, it was not before 1978-79 that the first adjustment in the order of $2 million was made to help in narrowing the existing gap. However, in that same year, the University's budget was reduced by $1.135 million, following the first round of compressions. The following year, compressions of $2.974 million were made by the government and by the end of 1980-81, despite stringent measures of restraint by the University administration, the accumulated deficit stood at $4.2 million. In 1981-82, a further adjustment of $2.4 million allowed us to reduce the accumulated deficit to $2.3 million. Following a series of compressions and prélèvements in 1982-83 ($2.9 million), in 1983-84 ($4.5 million), and in 1984-85 ($4.4 million), the accumulated deficit stood in turn at $1.2 million, $6.2 million, and reached $17.2 million by the end of 1984-85.

In a study prepared by the Ministère de l'éducation in 1982, it is acknowledged that Concordia's expenses were significantly lower in all sectors than the average of other Québec universities as a whole.

Moreover, the study reports, and I quote: "...si la répartition des subventions de fonctionnement en 1979-80 avait été basée sur le nombre d'étudiants pondéré, à partir du système

de pondération des disciplines et niveaux d'études de l'Ontario, Concordia aurait reçu presque 20% de plus, soit 13,7M$ ou une masse plus de deux fois supérieure à son déficit accumulé en 1981."

The cycle of compressions and prélèvement which was applied without regard for the unique situation of each institution resulted in untenable financial pressures being applied to Concordia. Thus, funding for additional students which fluctuated between 25% and 75% of real costs between 1976-77 and 1984-85, did not have similar consequences for all universities. Since costs at Concordia were already below the Québec average, a level of funding inferior to real costs meant that we were being unduly penalized, while elsewhere costs were being brought more in line with the average. Moreover, this University, because of cutbacks and a leveling-off of its student enrolments, contributed significantly, by means of prélèvement, to the funding of other universities, thus being led to contribute to its own state of critical underfunding.

Though the government has now decided to introduce a measure of stability in the funding rules by agreeing to put an end to the compressions, and by re-establishing funding for new student enrolments, this will not be sufficient to place Concordia on a budgetary level similar to that of other institutions, if immediate corrections are not made to its base funding.

Concordia University is justifiably proud of its high level of productivity and its good management. By way of example, let us note a student/faculty ratio of 23 FTEs per faculty member (the Québec average being 18.7), and an increase of 287% in funded research between 1976-77 and 1984-85. However, on closer scrutiny, this superior performance is only possible at an unacceptable cost not only to the University, but above all to its professors and students who cannot enjoy the same level of quality of equipment and physical surroundings as found in other Québec universities. One can only guess that, given adequate resources, the performance standards achieved here would be even more remarkable.

In 1984-85, our deficit more than doubled compared with that of 1983-84, reaching $11 million as opposed to $5 million in the previous year. The current accumulated deficit of $17.2 million is 6.6 times higher than what it was in 1981-82. Concordia, with 12% of FTE enrolments in Québec, must carry 23% of the total 1984-85 deficit and 29% of the accumulated deficit of the réseau. The accumulated deficit represents 17% of our admissible expenses. The 1985-86 deficit is estimated at $10.9 million, a decrease of $150,000 compared to the previous financial year. The University expects to have a balanced budget by 1987-88, at considerable cost.

However, the growing administrative costs associated with carrying such an accumulated deficit, which will then reach an amount equivalent to the projected deficit for all universities in 1985-86, as well as the deficit itself, leads us to believe that it would prove catastrophic to the University to attempt to absorb a deficit of this magnitude without a clear strategy involving significant and immediate government support.

In summary, Concordia's dramatic financial state can be attributed to the following: a fundamental and ongoing inequity in our base funding, compounded by untenable pressures brought on by the indiscriminate application of compressions and prélèvement over the years. These two basic problems had a further debilitating effect by severely restricting our capacity to pursue a policy of increased student enrolment.

The avis notes that the current economic climate raises questions about the capacity of the government to continue assuming the costs relating to university development. One must not conclude from this that the government should thereby renege on its responsibilities at such a critical juncture for universities and Québec society in general.

Although we acknowledge the considerable efforts by the Government of Québec since the 1960s, it is essential that such contributions be at least maintained at their current level,

considering Québec's lag, as the Conseil's avis underscores, vis-à-vis Ontario and the rest of Canada, especially at a time when the Bovey Commission has reached the conclusion that the level of funding in Ontario is inadequate.

We therefore share the concerns of the Conseil about the "rattrapage" which is needed. We must certainly continue to look for valid alternatives to government funding and we wish to be actively involved in such a process. The various university groups should study with care all options which could improve existing methods of funding, such as increased tuition fees and fiscal incentives. Neither of these options can be dismissed a priori. They must not be perceived, however, as panaceae that would relieve the government of its fundamental responsibilities for the future of our society.

In conclusion, we are pleased to support the major recommendations of the Conseil des universités, and we invite the government's speedy response. We re-emphasize the importance we give to the four following elements:

1. That the government give priority to the readjustment of the financial bases of those universities most severely affected by government funding policies, above all Concordia, without awaiting long term and overdue changes to the funding formula;

2. That the government agree to a review, on the basis of merit, of individual university deficits, in order to find appropriate solutions for each institution;

3. That the government recognize the need to bring global resources allocated to universities in Québec at least up to the average level of those available to other Canadian universities;

4. That the government maintain current measures of stability in university financing by no longer imposing compressions and prélèvement (especially with respect to the funding of new students), while exploring the alternative funding sources recommended in the avis.